

H-3108-1 - RELINQUISHMENTS, TERMINATIONS, AND CANCELLATIONS
Format for Decision of Notification of Default in Lease Terms
for Failure to Pay Annual Rental



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

3103/3108 (Office Code)
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

| Lessee/Address | DECISION |
|----------------|-------------|
| | : |
| | : |
| | : |
| | Oil and Gas |
| | : |
| | : |

Notice of Default in Lease Terms
Annual Rental Payment Required to Meet Lease Terms
Oil and Gas Termination Notice Vacated

The Minerals Management Service has notified this office that the rental for oil and gas lease (Serial number) of \$120.00 due on or before (Date) was not paid.

Public Law 83-555, effective July 29, 1954, required automatic termination of a lease that did not have a well capable of production of oil or gas in paying quantities if the annual rental was not timely paid. (The rental that was not paid was due on a date other than the lease anniversary date. OR Your lease is committed to a unit agreement for which there is a unit well capable of production, and the lease receives the benefits of this unit well even though the well is not on the leasehold.) Therefore, the lease did not automatically terminate for failure to pay the rental, and the rental is a debt owed to the United States. Accordingly, the termination notice dated (Date) is hereby vacated.

If it was the lessee's intention to terminate the lease by not paying the rental, that has not occurred for this lease. However, the lessee may relinquish the lease, provided that a written relinquishment is filed in this office, as allowed by the leasing regulations at 43 CFR 3108.1.

The failure to pay the rental due on or before (Date) is a default in the performance of the lease terms, and this decision constitutes notice of that default under Section 13 (or other appropriate section in older lease forms) of the lease terms and the leasing regulations at 43 CFR 3108.3(a), copy enclosed.

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Format for Decision of Notification of Default in Lease Term:
for Failure to Pay Annual Rental

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If the unpaid rental of \$120.00 is not paid, action will be taken to cancel the lease and to collect the amount owed to the United States. However, this action will not be taken until you have had an opportunity to submit the full rental amount that is due or to a relinquishment of the lease. You are allowed 30 days from the date of receipt of this decision in which to perform either one of these alternatives. Submit the rental payment or the relinquishment to this office. Make the check payable to the Department of the Interior-MMS, indicate the lease serial number on the check, and mail the check to the following address:

Mineral Management Service
Royalty Management Program
Box 5640
Denver, Colorado 80217

This is an interlocutory decision from which no appeal may be taken. If the lessee does not comply with this decision within the time allowed, a final decision will be issued that may be appealed.

Authorized Officer

2 Enclosures
Regulation 43 CFR 3108.1
Regulation 43 CFR 3108.3(a)

Distribution:
MMS-DMD, Mail Stop 3110